

## REMARKS

This Response is submitted in reply to the final Office Action dated November 27, 2006, issued in connection with the above-identified application. Claims 27-30 are presently pending in the application. With this Response, claims 27-29 have been amended, claim 30 has been canceled, and claims 31-33 have been added. No new matter has been introduced as a result of this Response; thus, favorable reconsideration is requested.

Claims 27-29 stand rejected under 35 U.S.C. §101 for being directed to non-statutory subject matter. The Examiner alleges that the claims appear to be abstract ideas rather than a practical application of the idea. The Applicants have amended the claims to more clearly point out that they are directed to *an apparatus and not an abstract idea*. In this case, a “portable storage device” having novel structure. Thus, the claims as amended are now believed to fall into one or the four enumerated categories of patentable subject matter under 35 U.S.C §101.

Claims 27-28 stand rejected under 35 U.S.C. §102(e) as being anticipated by Nakashima et al. (U.S. Patent No. 5,930,825, hereafter “Nakashima”); and claims 29-30 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Nakashima in view of Schoen et al. (U.S. Patent No. 5,592,511, hereafter “Schoen”). The Applicants respectfully traverse these rejections.

The Applicants have amended independent claim 27 to clarify that the apparatus of the present invention is directed to a portable storage device used with a downloading apparatus for recording and physically transporting digital data, which includes the following structural features:

1) an storage assembly have a predetermined shape and being adapted to be received by or loaded into the data downloading apparatus of a data downloading system; and

2) a main recording surface have at least two different recording areas: a) a first non-rewritable recording area in which is recorded download identification information for designating information to be downloaded to the storage device when the recording medium is loaded in the data downloading system, and medium identification information identifying the storage device as a permitted device; and b) a second rewritable recording area for recording digital data identified by the download information. An important feature of the present invention is that the digital data is *automatically* recorded on the portable storage device when the portable storage device is loaded into the data downloading apparatus and the medium

identification information is recognized as being authorized for recording digital data (see, Applicants' Application, page 4, line 1-page 5, line 8; Fig. 4; and Figs. 6A-6C).

In the Office Action, the Examiner relies on Nakashima for disclosing all the features recited in independent claim 27. However, Nakashima is directed to a method of protecting software from being unlawfully copied from a disc (storage device) to a computer system using medium ID information. More specifically, if an optical disk (containing software/data) is indicated as an original, the data on the optical disk is executed for downloading *from the optical disk to, for example, a PC*. However, if the optical disk is indicated as a copy, then a warning or other message is displayed and the copy operation is halted (see, Nakashima, col. 14, line 60 – col. 15, line 43).

Thus, the medium ID information disclosed in Nakashima is used for identifying data to be downloaded *from the portable storage device to a system or PC. Additionally, nothing about the downloading of information appears to be automatic when the portable storage device is loaded*. For example, after the optical disc is loaded, the user is required to enter "SAMPLE.TXT" from a keyboard. The host then acquires the necessary application program. (see col. 7, lines 12-19). Therefore, Nakashima does not disclose the claimed second recording area for recording digital data identified by download information; mainly, because no information is downloaded from the PC to the optical disk. Additionally, the downloading of information (albeit from the optical disk to the PC) is not automatic.

Moreover, Schoen does not overcome the deficiencies noted above in Nakashima. Therefore, even if one of ordinary skill in the art were to combine the teachings of Nakashima and Schoen, the combination still would not teach or suggest all the features recited in at least independent claim 27 (as amended).

Independent claim 27 is distinguished over the cited references for at least the reasons noted above. Likewise, dependent claims 28-29 are also distinguished over the cited references based on their dependency on independent claim 27. Additionally, new claims 31-33 are distinguished over the cited references for similar reasons.

In light of the above, the Applicants respectfully submit that all the pending claims are in condition for allowance. Thus, a timely Notice of Allowance is respectfully requested. The Director is authorized to charge and credit Deposit Account No. 02-1818 for any additional fees

associated with the submission of this Response, including any time extension fees. Please reference docket number 112857-250.

Respectfully submitted,  
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